

# **Exhibit 220**

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COMMODITY FUTURES TRADING COMMISSION

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IN THE MATTER OF:

RETAIL FOREX FRAUD

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140 Broadway  
New York, New York

April 7, 2016  
9:44 a.m.

DEPOSITION of JOHN DITTAMI, the witness  
herein, taken by the Commodity Futures Trading  
Commission, pursuant to Agreement, held at the  
above-noted time and place, before a Notary Public  
of the State of New York.

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1 John Dittami

2 Rosenfeld, I'm sorry?

3 A J. Rosenfeld is an accountant at  
4 FXCM.

5 Q J. Rosenfeld types at the end of the  
6 chat that "FXCMs will be," quote, "'tracking your  
7 expenses and income for now so that we can see if  
8 21 fee should be adjusted,'" close quotes. Do you  
9 see that?

10 A Yes, I see that.

11 Q Why is FXCM tracking your profits  
12 and expenses?

13 A They shouldn't be, actually never  
14 gave them ever any income statements. You can see  
15 in this e-mail I'm saying we're a separate entity,  
16 separate funding, what do you need this for.

17 Q So this information was never given?

18 A I never gave them income statement.  
19 I gave them revenue numbers sometimes through  
20 weekly updates, but I never gave them our expenses  
21 and I never gave them net income, I only gave them  
22 revenue ad hoc and not week through weekly  
23 updates.

24 Q Through weekly updates?

25 A Through weekly updates but they

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1 John Dittami  
2 weren't regularly consistent. They've never seen  
3 or requested my -- they've certainly never seen my  
4 income statements and balance sheets.

5 Q Do you know whether they would be  
6 wanting to track your payments and expenses so  
7 that the rate you were paying could be adjusted to  
8 a 70/30 split?

9 A Yeah, I think so. I think they  
10 wanted to know how to position their negotiation  
11 power, I think they wanted to make sure that I'm  
12 not taking advantage of them just like I'm trying  
13 to protect against being taken advantage by them.  
14 They want to know so that they wanted to be able  
15 to negotiate.

16 Q Can I have the exhibit back.

17 MR. DALY: Actually, before you  
18 return this exhibit.

19 BY MR. DALY:

20 Q I just want to track the timeline of  
21 Exhibit 15 with you, Mr. Dittami. At 17:13:27 the  
22 top e-mail appears -- the top e-mail appears to  
23 have a time stamp of 17:13:27, correct?

24 A Correct.

25 Q That's where J. Rosenfeld asks you,

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1 John Dittami

2 that isn't their business.

3 Q Does Exhibit 22 refresh your  
4 recollection that you continued to use FXCM's  
5 instant messenger service until at least August  
6 31, 2011?

7 A Yes, that sounds --

8 Q Do you know to what date Effex  
9 Capital employees continued to use FXCM's instant  
10 messenger?

11 A I don't know to what date they  
12 continued to.

13 Q Do you know what year?

14 A I don't know what year. I believe  
15 it would have been past 2011 though. I believe it  
16 would have been 2012 but I don't know what year.

17 Q When Effex Capital was formed how  
18 was it capitalized?

19 A How was it capitalized. Well, with  
20 my personal funds, John Dittami personal funds,  
21 the only owner, et cetera there. The trading  
22 margin which is not Effex Capital, the trading --  
23 getting a line to do trading was through that  
24 Effex prime account, that's my line to do trading  
25 but that's not my capital.

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1 John Dittami

2 Q How much was that line?

3 A That was the \$2 million and, again,  
4 I don't know if it's an accounting entry or real  
5 entry, I don't understand in the FXCM systems but  
6 the funds to run the business are my personal  
7 funds.

8 Q When it started operations did Effex  
9 Capital have it's own prime brokerage account?

10 A When it started business it had a  
11 prime brokerage account that was a prime FXCM  
12 prime and instantly we started setting up the  
13 instant process and going through the negotiations  
14 with Citi by mid or July, I'm estimating roughly  
15 in July we had our own prime brokerage account  
16 with Citi. Before that we had a prime brokerage  
17 of prime account through FXCM and then we went to  
18 a -- finished our credit review, finished all of  
19 our paperwork with Citi and had a full on, full  
20 fledged tier one prime by July 2010. We no longer  
21 needed a prime of prime brokerage middleman.

22 (E-mail dated 7/26/10 marked Exhibit  
23 23 for identification.)

24 Q Let me show you what I've marked as  
25 Exhibit No. 23. It's an e-mail dated July 26,